

Message Text

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ACTION OES-07

INFO OCT-01 EUR-12 ISO-00 FEA-01 ACDA-12 AGRE-00

AID-05 CEA-01 CEQ-01 CG-00 CIAE-00 COME-00

DLOS-09 DODE-00 DOTE-00 EB-08 EPA-04 ERDA-07

FMC-02 TRSE-00 H-02 INR-07 INT-05 IO-14 JUSE-00

L-03 NSAE-00 NSC-05 NSF-02 OMB-01 PA-02 PM-05

PRS-01 SP-02 SS-15 USIA-15 /149 W

-----022808 012017Z /43

R 011815Z DEC 77

FM AMCONSUL HALIFAX

TO SECSTATE WASHDC PRIORITY 1931

INFO AMEMBASSY OTTAWA

UNCLAS SECTION 1 OF 2 HALIFAX 0589

E O 11652: N/A

TAGS: EFIS CA

SUBJECT: ATLANTIC CANADA: FERMENT IN THE FISHERIES

SUMMARY: GOC FISHERIES MINISTER ROMEO LEBLANC ANNOUNCED IN A NOV 28 SPEECH IN YARMOUTH, NS, HIS INTENTION OF INTRODUCING A PROGRAM WHICH WILL EFFECT THE TRANSFER OF OWNERSHIP OF THE FLEET OF 160 LARGE OFFSHORE TRAWLERS PRESENTLY OWNED BY FISH PROCESSING COMPANIES TO INDEPENDENT FISHERMEN. SUCH A DEVELOPMENT IS SEEN AS AIDING FISHERMEN BY ASSURING THEM OF HIGHER PRICES FOR THEIR CATCHES.

THE LEBLANC SPEECH WAS CRITICAL OF THE MUCH-ADVERTISED FLEET REBUILDING SCHEME OF THE ATLANTIC PROVINCES WHICH HAS NOT YET BEEN REVEALED BUT WHICH WILL REPORTEDLY COST DOLS 900 MILLION OVER 10 YEARS. IN THE AFTERMATH OF THE LEBLANC SPEECH, ATLANTIC PROVINCES FISHERIES MINISTERS, MEETINV IN HALIFAX, SAID THEIR PLAN WOULD BE IN LEBLANC S HANDS WITHIN A WEEK.

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REACTION TO LEBLANC S ANNOUNCED AIM OF TRANSFERRING OWNERSHIP OF OFFSHORE TRAWLERS TO INDEPENDENT FISHERMEN HAS BEEN GENERALLY FAVORABLE. THERE IS DOUBT, HOWEVER, ON HOW THIS IS TO BE FINANCED.

REPORTING OFFICER EXPRESSES VIEW THAT LEBLANC HAS ONCE AGAIN SHOWN HOW VERY WELL AND SKILLFULLY

HE IS MANAGING CANADIAN FISHERIES. END SUMMARY.

1. IN SPEECH NOV 28 TO ROTARIANS AT YARMOUTH, NS, GOC FISHERIES MINISTER ROMEO LEBLANC RETURNED TO A THEME HE SOUNDED IN HIS FIRST SPEECH AS FISHERIES MINISTER IN 1974: URGING FISHERMEN TO ORGANIZE SO THAT THEY CAN DEAL EFFICIENTLY WITH BOTH PROCESSORS AND GOVT. SPECIFICALLY, HE PROPOSED THAT OWNERSHIP OF LARGE OFFSHORE TRAWLERS BE SHIFTED FROM THE PROCESSING COMPANIES TO THE FISHERMEN THEMSELVES. AS MATTERS STAND NOW, HE INDICATED, FISH PRICES RECEIVED BY FISHERMEN ARE DEPRESSED BECAUSE TRAWLERS ARE FORCED TO SELL THEIR CATCHES TO THEIR OWNERS PROCESSING PLANTS, AND AT PRICES KEPT ARTIFICIALLY LOW. IF HIS FISHING FLEET SUFFERS A LOSS, THE PROCESSOR-OWNER GETS A TAX WRITEOFF. MOREOVER, THE PRICES PAID TO INDEPENDENT BOAT OWNERS SELLING TO HIS PROCESSING PLANT ARE ALSO KEPT LOW SINCE SUCH INDEPENDENTS LACK BARGAINING POWER AND SINCE THE PRICES PAID BY THE PROCESSOR-OWNER TO HIS OWN FISHERMEN STRONGLY INFLUENCE THE PRICES PAID TO OTHERS, PUSHING THEM DOWNWARDS.

2. HOW IS THIS PROPOSED SHIFT IN OWNERSHIP OF THE OFFSHORE TRAWLERS TO BE EFFECTED? LEBLANC DID NOT SAY. HE DID SAY THAT THERE ARE "VARIOUS MEANS" WHEREBY IT COULD BE DONE AND THAT HE WOULD RETURN TO THIS SUBJECT "IN THE COMING UNCLASSIFIED

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MONTHS".

3. LEBLANC S PROPOSAL ON TRAWLERS CAME AS DENOUEMENT TO SPEECH WHICH REVIEWED THE FORTUNES OF CANADA S EAST COAST FISHERY FROM THE BOOM YEAR OF 1973, THRU THE CRISIS OF 1974 AND 1975, TO THE SIGNIFICANT YEAR 1976 WHICH SAW THE PUBLICATION OF THE WHITE PAPER "POLICY FOR CANADA S COMMERCIAL FISHERIES" AND THE ANNOUNCEMENT OF A FORTHCOMING 200-MILE ZONE, AND BEYOND TO 1977 AND THE FUTURE. WHILE DISCUSSING THE SLOW REBUILDING OF DEPLETED FISH STOCKS, HE TOOK OPPORTUNITY TO SNIPE AT WIDELY-TOUTED BUT AS-YET-UNDISCLOSED SCHEME OF NS AND NFLF FISHERY MINISTERS (ENDORSED ALSO BY PEI AND NB MINISTERS) TO SPEND DOLS 900 MILLION TO

REBUILD FISHING FLEET.

4. FISH STOCKS WILL NOT BE REBUILT AT AN EVEN RATE. GROWTH WILL COME AT DIFFERENT RATES FOR DIFFERENT SPECIES AND AT DIFFERENT PLACES. ON THE SCOTIA SHELF, AT THE MOUTH OF THE GULF OF ST. LAWRENCE, AND OFF THE SW COAST OF NFLD THERE WILL BE PARTICULAR

HARDSHIPS TO FISHERMEN AND PROCESSORS ALIKE BECAUSE OF THE ANTICIPATED VERY SLOW REBUILDING OF REDFISH STOCKS. STATING THAT THERE ARE THINGS THE GOC CAN DO TO HELP, LEBLANC SAID THE FEDERAL GOVT S PLANS WOULD BE MADE KNOWN IN THE COMING MONTHS, AND WENT ON TO SAY:

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THESE PLANS CAN HARDLY INCLUDE ANY VAST FLEET EXPANSION. IN ALMOST NO AREAS OF THE ATLANTIC IS OUR GROUND FISH FLEET GETTING ANYWHERE NEAR ITS CATCH RATES OF FIVE YEARS AGO. DO WE WANT TO DOUBLE A FLEET THAT IS GETTING HALF LOADS? I HARDLY THINK SO, UNTIL THE EXISTING, SUBSIDIZED FLEET IS MAKING A PROFIT.

IT IS SAID THAT THE NOVA SCOTIA AND NEWFOUNDLAND PROVINCIAL GOVERNMENTS HAVE A FLEET DEVELOPMENT SCHEME. I HAVE NEVER SEEN IT EXCEPT IN PRESS CLIPPINGS. I WISH THEY WOULD SEND IT TO ME. I AM SERIOUS ABOUT THE ECONOMICS OF A PLAN THAT REPORTEDLY WANTS US TO SPEND DOLS 900 MILLION ON NEW FISHING VESSELS. A SUM EQUALLING THREE TIMES THE NORMAL LANDED VALUE OF CANADA S

ENTIRE FISHERY, EAST COAST, WEST COAST,
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AND INLAND. THREE TIMES THE TOTAL VALUE
OF CANADA S ENTIRE FLEET OF 35,000 FISHING
VESSELS...

5. ON HEELS OF LEBLANC SPEECH, PROVINCIAL FISHERY
MINISTERS FROM ATLANTIC CANADA LOST NO TIME IN GETTING
THEIR ACT TOGETHER. THEY MET IN HALIFAX NOV 30
(EXCEPT FOR NB MINISTER WHO WAS UNAVOIDABLY ABSENT)
TO ANNOUNCE THAT FINISHING TOUCHES HAVE NOW BEEN
GIVEN TO THEIR 10-YEAR DOLS 900 MILLION PLAN AND
THAT IT WILL BE IN LEBLANC S HANDS WITHIN A WEEK.
DISCLOSURE OF DETAILS OF PLAN WILL NOT BE MADE UNTIL
PROVINCIAL MINISTERS MEET WITH LEBLANC TO
DISCUSS IT, PROBABLY ABOUT MID-DECEMBER. THEY DID
STATE THAT, CONTRARY TO LEBLANC S ASSUMPTIONS, THEY
WERE LOOKING NOT JUST AT THE GROUND FISHERY BUT AT
ALL SECTORS OF THE EAST COAST FISHERY, INSHORE AND
OFFSHORE, INCLUDING THE CATCHING AND PROCESSING OF
NON-TRADITIONAL STOCKS.

6. REACTION TO THE LEBLANC PROPOSAL TO EFFECT SHIFT
IN OWNERSHIP OF THE LARGE OFFSHORE TRAWLERS
HAS BEEN BROADLY FAVORABLE, ALTHOUGH A NUMBER OF
COMMENTATORS HAVE WONDERED ALOUD ABOUT HOW SUCH A
DEVELOPMENT WOULD BE FINANCED. THE PROCESSOR-OWNED
FLEET OF 160 TRAWLERS INCLUDES MANY STEEL VESSELS
MORE THAN 100 FEET LONG, COSTING SOMEWHERE AROUND
DOLS FOUR MILLION TO DOLS FIVE MILLION APIECE. THESE
BOATS ACCOUNT FOR ABOUT 53 PERCENT OF CANADIAN ATLANTIC
COAST FISH ON BASIS OF LANDED VALUE AND ABOUT 70 PERCENT
BY TONNAGE.

7. COMMENT: ROMEO LEBLANC TOOK CHARGE OF CANADA S
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FISHERIES IN 1974 WHEN THEY WERE EITHER GOING TO BE
OVERFISHED BEYOND RECOVERY OR, IF SAVED, HAS NOWHERE
TO GO BUT UP. ICNAF WAS MANIFESTLY FAILING AS A CONTROL
MECHANISM TO PREVENT OVERFISHING. NEW STRATEGIES WERE
NEEDED, ALONG WITH THE POLITICAL SKILL AND SAVVY TO SELL
THEM. LEBLANC HAD WHAT WAS NEEDED. HE AND HIS DEPARTMENT
PUT TOGETHER THE DOCUMENT ENTITLED "POLICY FOR CANADA S
COMMERCIAL FISHERIES" AFTER LONG AND WIDESPREAD

CONSULTATIONS WITH FISHERMEN, PROCESSORS,
AND PROVINCIAL DEPARTMENTS OF FISHERIES. THANKS
TO THIS POLICY OF CONSULTATION, THE
POLICY PAPER ACCURATELY REFLECTED THE PLIGHT OF
THE FISHERIES AND THE WIDEST POSSIBLE CONSENSUS
OF WHAT WOULD BE REQUIRED TO ALLEVIATE IT.

8. IT IS A LONG-TERM PLAN AND THESE ARE STILL EARLY
DAYS. STILL, THERE IS NO REASON TO BELIEVE THAT IT
IS IN ANY MAJOR RESPECT DEFICIENT. CERTAINLY THE
LACK OF CRITICISM AGAINST THIS DOCUMENT AND AGAINST
SUCH LEBLANC INITIATIVES SUCH AS HIS NOV 28 PROPOSAL
TO MAKE THE LARGE TRAWLERS FISHERMEN-OWNED RATHER
THAN PROCESSOR-OWNED WOULD SEEM TO INDICATE THAT
UNDER HIS STEWARDSHIP THERE IS GOOD REASON TO HAVE
CONFIDENCE IN THE CONTINUING THE INCREASING PROSPERITY
TF THE CANADIAN FISHERIES.

9. DRAFTER: JHMOORE.
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Message Attributes

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